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ABSTRACT

A model for the analysis of college closing is tested and illustrated using the existing literature of college closings. Since the literature on college closing provided little analysis or material upon which theory might be developed, attention was directed to the work that has been done on the somewhat parallel subject of the closing of industrial plants. Erwin and Gordus's model of industrial plant closing was revised and expanded. The model assumes a sequential process through time that roughly approximates a series of four overlapping stages. The first stage includes the environmental and organizational factors that must be assessed in order to determine the basis on which the closing decision is made. In the second stage, the focus is on who makes the decision to close and what, if any, related decisions are made on how to close. In the third stage, the response to the college closing is isolated and examined. A key component of this stage is the organization's response to closing or closing programs. The model dictates the examination of interrelationships within stages as well as among stages. In the fourth stage, the focus is upon how individuals, organizations, and external groups are affected by a closing. The model's elements are examined in detail and the existing literature on college closings is reviewed within a framework provided by the model. It is concluded that there is a need for research that will test the model against reality, use the model to examine college closings, and in general provide a fuller description and explanation of the process. (SW)

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ANALYSIS OF COLLEGE CLOSINGS

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The University of Michigan

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ANALYSIS OF COLLEGE CLOSINGS

James L. Miller, Jr. and J. Michael Erwin

WHO CARES ABOUT A DEAD COLLEGE?

"Who cares about a dead college?" We were asked that question from time to time as we talked about our interest in this topic. At first we thought the question was being asked only by people who find little value in history, anthropology or archaeology. Then we came to realize that it was being asked often enough to deserve a serious answer. Our answer is that we think the study of college closings, if undertaken systematically, objectively, and thoroughly, can provide valuable assistance to colleges that are still living. For some, the assistance may be to suggest ways to avoid closing; for others it may be to help shape a closing plan that minimizes the harm done to the many people involved.

Our opportunities are ample for learning about college closings and should be numerous for applying that knowledge. The National Center for Educational Statistics reports that ninety-five colleges closed during the 1960s and Fadil and Carter report another 141 colleges and branch campuses closing during the 1970s. Predictions are that as many as 200 institutions may close during the 1980s (Carnegie Council on Policy Studies in Higher Education, 1980).

Although there have been many closings, few have been thoroughly examined. As this paper reports, we found that the systematic study of college closings was so limited as to be almost non-existent. The major contribution which we attempt to make in this paper is the presentation of a model for the study

of college closings. That model makes visible the many different elements of the closing process. We were amazed at how many there were -- we counted over 100. The model also allows us to see which aspects of the process have been covered by the existing literature thereby also providing an agenda for additional research on the subject.

Discussion of the complete model would cover the process of closing, beginning with predisposing conditions that cause institutional decline and following the process through the closing decision itself, reactions to the decision, the implementation process and the impact of the closing decision. We try to cover the entire model in our graphic presentations but we have focused greatest attention here on the aspects of the model that appear to have been neglected by others. In an attempt to fill in some of the gaps, we have given a disproportionately detailed emphasis to those aspects of college closings which are ignored in the literature. Most especially we by-pass that already large and still growing literature on retrenchment.

Retrenchment is a topic which can be dealt with in either a positive way or a negative way. Most literature on it takes the high road, suggesting there is merit in doing the best one can with what one has to work with. College closings also can be dealt with in a realistic and positive way that has respect for what the closing college represented and accomplished plus compassion for the present difficulties and a clear recognition that the manner in which the closing takes place will have a present and future impact on the lives of a number of people. The conventional wisdom has not treated closing with the positive realism that it is willing to give retrenchment. That may be in process of changing. It needs to change, if only because the number of college deaths is going to continue to increase.

AN OVERVIEW OF THE LITERATURE ON COLLEGE CLOSINGS

The majority of the literature on college closings consists of descriptions of why and how individual colleges closed. In some instances, these descriptions are in the form of relatively detailed case studies. Borton and Whalen (1981) provide a comprehensive account of what was officially Newton College's merger with Boston College but what eventually amounted to little more than the sale of Newton's campus. Millett (1976), Healy and Peterson (1976), and O'Neill and Barnett (1980) provide case study evidence and generalizations drawn from those cases. In addition to case studies, descriptions of specific closings are presented within such "how-to-do it" pieces as "The Right Way to Close" (West, 1980) and "Closing a College with Care" (Hoey, 1978). While such articles provide some descriptive information, they perhaps can be more properly grouped within a different segment of the literature: the prescriptive literature.

The prescriptive literature includes such additional "how-to-do-it" pieces as "Closing a College with Compassion" (Willmer and O'Connor, 1979) and "Preparing for College Closings" (McIntyre, 1977). These and similar articles generally contain little descriptive material on individual closings, presenting instead recommendations on specific measures to be taken in closing as effectively and compassionately as possible. Sections of the Millett, Healy, and Peterson, and O'Neill and Barnett works cited above provide additional prescriptions on how to close.

Any discussion of publications on college closings would be incomplete without a mention of the body of literature on the single case of Wilson College. Ordered to close by trustees and then, after widely publicized student and alumni protests, ordered to remain open by a court of law, Wilson

College alone is the focus of a sizeable number of descriptive and prescriptive articles, including Beeman (1979), Clarkson (1980), Anderson and Weeks (1980), and Gies (1980). The Wilson College literature includes a Roshomon-like presentation in the form of a detailed and compelling case study describing events from the perspective of "responsible action" against which can be contrasted shorter but equally compelling responses presenting the case against euthanasia.

The amount of information on the Wilson College case is not typical of what is available about other institutions. Of the over 200 institutions that have closed within the past twenty years, we were able to obtain relatively complete information on only twenty-seven. As we point out on numerous occasions throughout this paper, at times during our examination of specific elements of the closing process, we encounter instances where pertinent information is missing for all twenty-seven. In a far more limited number of instances, we could base our observations on as many as a dozen closings.

METHODOLOGY

Simply stated, our approach to the project was as follows. We identified and reviewed the literature on college closings.[1] Finding little analysis or material upon which theory might be built, we turned to the work which has been done on the somewhat parallel subject of the closing of industrial

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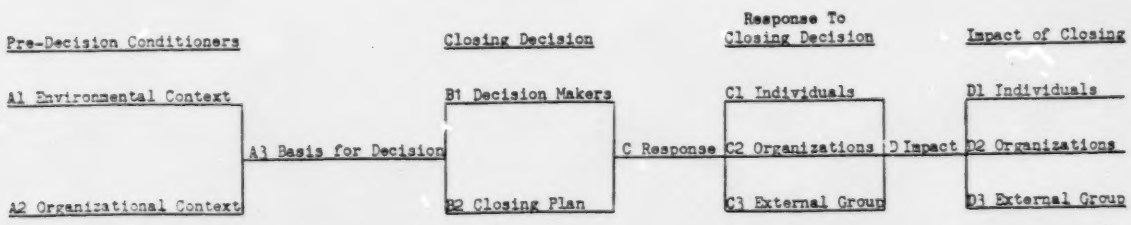
[1] We wish to express our great appreciation to Nancy Schnuer Nash, our graduate research assistant during the spring of 1981, for bringing to this project her special background in the efficient search, xerographic seizure, and speed-read encapsulation of much of what has been written on the subject.

plants.[2] A model of industrial plant closings developed by Erwin and Gordus proved to be particularly amenable to adaptation for the study of college closings (Erwin and Gordus, 1982). We revised and expanded that model to take into account the important differences between the two types of organizations in how they are funded and administered and who the closings would affect. After developing the model, we next went back to the literature and examined it within the context of the model. Each piece of literature was reviewed to identify which specific elements of the model were covered. We discovered that nearly all of the literature deals with only a few of the elements of the process. Some elements are not dealt with at all. This comparison of what "should be" examined and what actually is led us to an identification of a research agenda for the further study of college closings.

THE COLLEGE CLOSING MODEL

Figure 1 presents a simplified view of the college closing model. As the figure shows, the model assumes a sequential process through time which roughly approximates a series of four overlapping stages. The first stage

Figure 1: Simplified Version of the College Closing Model



[2] The review and critique of the literature and published studies on industrial plant closings was largely accomplished for us by Jeanne Prial Gordus, Paul Jarley and Louis A. Ferman of the Institute of Labor and Industrial Relations, The University of Michigan, who kindly shared with us a draft of their study on that topic which has been published as Plant Closing and Economic Dislocation (Kalamazoo, Michigan, W. E. Upjohn Institute for Employment Research, 1981).

we termed "Pre-Decision Conditioners" and viewed as including the environmental and organizational factors which must be assessed in order to determine the basis on which the closing decision is made. We assume that causal relationships flow from this stage to the next and through subsequent stages. In the second stage, the focus is upon who makes the decision to close and what, if any, related decisions are made on how to close. In the third stage, the response to the college closing is isolated and examined. A key component of this stage is C2, the organization's response to closing or closing program. How the college will close affects both C1, the individuals involved, and C3, external groups having ties to the college. Thus, the model dictates the examination of inter-relationships within stages as well as among stages. In the fourth stage, the focus is upon how individuals, organizations and external groups are affected by a closing.

When used either to shape or analyze research, the model is particularly useful in isolating individual variables and categories of variables and in formulating hypotheses about the relationship which may exist among the variables. In order for these features to become apparent, in the sections that follow we provide more detailed discussion of the model's elements and examine the existing literature on college closings within the framework provided by the model.

STAGE ONE: PRE-DECISION CONDITIONERS

The decision to close a college is conditioned upon perceptions of both its environmental context and its organizational characteristics. The ways in which both sets of characteristics contribute to institutional decline are so thoroughly examined in the other research that they will be given little attention here.

It is useful to focus within this stage on what appears to be a top priority for research on college closings: when to close. Answers are not offered in the literature on closings. What appears to be necessary is research aimed at identifying what might be called the "tipping point" of institutional survival. The tipping point is the point beyond which environmental and organizational factors make the survival of an institution impossible without either merger or making such radical changes in mission, curriculum and clientele that the original institution could be said to have died. Based upon our examination of closings, identification of a tipping point appears to call for special emphasis on two categories of variables: fiscal health and leadership.

In his study of mergers and closings, Millett identifies four factors which seem to interact in such a way as to suggest where a fiscal tipping point lies. The four are: (1) limited endowment coupled with heavy dependence on tuition income to meet opearting expenses; (2) operating deficits necessitating short-term borrowing and/or use of endowment income; (3) substantial long-term debts, and (4) enrollment declines (Millett, pp. 74-76). Our examination of the twelve closings tends to confirm Millett's observations. We found that only one of the twelve institutions closed before experiencing at least three of the four conditions. The exception was Wilson College: an institution which some suggest was closed prematurely (Beeman, 1979; Clarkson, 1980). This lone exception suggests that it is the perceptions of environmental and organizational factors as much as realities which precipitate the closing decision.

Millett observes that in each of the five closings he examined, there was considerable evidence of poor leadership, planning and budgeting (p. 76).

An examination of the other seven closings for which we reviewed case study or other detailed information tends to confirm Millett's observations. At some point near the end of their existence, ineffective leadership from trustees, the administration or faculty appear to have contributed to the closings. In at least some instances we found signs that effective leadership was provided during decline but it did not and perhaps could not avert the closing. It had occurred too late, after a fiscal tipping point had been reached. Research aimed at identifying the point at which effective leadership can still make a difference is essential.

The third component among the conditioning factors is one we label "basis for the decision" as shown in Figure 1 as component A3. While longer term environmental and organizational factors ultimately necessitate the decision to close, our examination of the literature reveals that most decisions to close are immediately preceded by the failure of a last-ditch effort to survive. Such efforts included fund-raising campaigns, student recruitment efforts, and seeking new loans or the refinancing of existing debts.

Some last-ditch recruitment efforts were aimed at increasing mid-year enrollments while others focused on the next academic year. Fund-raising and refinancing efforts were undertaken and failed at various times of the year. Thus coupled with the financial condition of the institution, the timing of the failure of the last-ditch effort at survival interact to serve as the immediate basis for closing and, importantly, dictate how much longer the institution can remain open. The potential significance of when the decision is precipitated can be demonstrated by moving ahead in the model. At the same time, we can illustrate the limitations of existing information on closings.

In the eight closings where we could determine precisely when the decision to close and the actual closing occurred, four of the five institutions closed at the end of the term then underway, two institutions announced during the fall term that they would close at the end of the academic year and two more announced their intentions more than a year before they closed. For the eight institutions then, a range of between two and fifteen months existed during which various services and benefits could be made available to staff. These are shown as component C2a. One would expect the severity of the college's financial problems and the length of closing notice to affect the availability of services and benefits. We have adequate information on services to both faculty and staff for only two institutions and therefore exploration of the relationship among the amount of notice given and the availability of services, participation rates, and the outcomes of participation is thus frustrated by the limitation of the information. The topic is ripe for research.

STAGE TWO: THE DECISION TO CLOSE

The two critical considerations related to the decision to close are (1) who is involved in making the decision and (2) what that decision is in terms of a plan for closing (see Figure 1). In examining the information on the twenty-seven closings, we encountered only eight instances in which we can determine with reasonable certainty who was involved in the decision-making process. Information about closings tends to be drawn from official records such as trustee board meetings, thereby emphasizing the recommendations of administrators and the official decisions of the trustees. We observed that faculty representatives were involved in the decision-making process at only

one of the eight colleges. Less surprisingly, students were excluded. Community leaders and alumni were formally involved in most closing decisions only by virtue of their membership on boards. We did not observe instances in which non-board members representing these two groups were invited to participate.

On the point of involvement in the decision to close, we find important differences between the descriptive and prescriptive literature. The three prescriptive articles which dealt with the issue, advocated the involvement of the entire college community at the decision-making stage. Broad involvement is advocated as a means of making certain that all alternatives to closing are discussed and understood and that the closing is one which will be as free of trauma as possible (McIntyre, pp. 291-92; West, p. 40). Willmer and O'Connor apply the Kubler-Ross "stages of grieving" framework to closings, advocating maximum involvement of all affected parties as a way of minimizing natural but counter productive responses to the closing.

While we would expect the composition of the decision-making group to influence components of the closing plan (B-2 in Figure 1), we found considerable variation among plans in spite of the fact that the same groups were involved in decision making. Attempts to examine the relationship between participation (B-1)and what we have called "emotional response" (C1a2 and C1b3 in Figure 2) were inconclusive. At the lone institution where faculty are known to have been extensively involved in the closing decision, anger and hostility were reported (O'Neill and Barnett, p. 84). Where faculty and students had no involvement in the decision, hostility was reported at some institutions but a positive atmosphere during closing characterized at least two other closings. More research is needed on the relationship

between participation in the closing decision and both response to the decision and response to the outcomes.

THE CLOSING PLAN

The second element of the closing decision stage is the closing plan. We found little information on how trustees and administrators planned to close their college. In only four instances could we identify a formal closing plan, although there was some evidence of less formal closing programs at other institutions. In the four instances we examined, the closing plan generally conformed to the recommendations made in the prescriptive literature. The McIntyre, West, and O'Neill and Barnett pieces advocate extensive use of legal assistance in devising a plan. Not surprisingly, those articles contain admonitions to balance concern for the law with concern for the people affected by the closing.

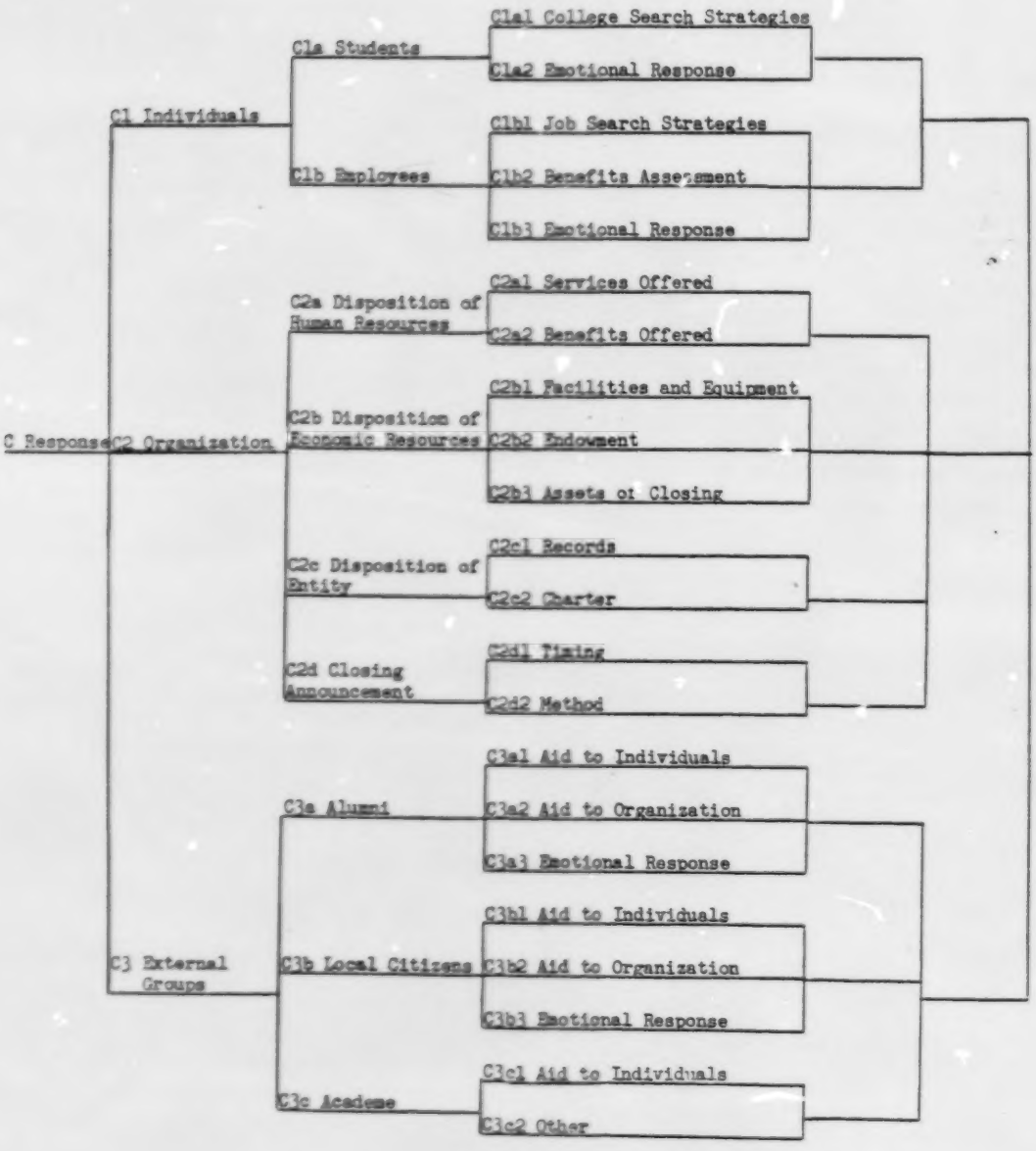
A possible conflict of interests between trustees and administrators in shaping the closing plan may develop if trustees place a high priority on protecting the remaining assets of the college while administrators interest themselves in devising and funding efforts to minimize the placement problems of faculty and students (O'Neill and Barnett, p. 55). In examining the five instances in which we have adequate information on the relationship between the board and the administration during the decision-making stage, we found that two boards did encounter conflicts of the nature O'Neill and Barnett describe and three did not. The two colleges where conflict occurred where relatively new institutions, had boards dominated by the citizens who were instrumental in establishing the institution, enrolled few local students, and had a history of town-and-gown conflict.

At these two institutions, trustees protected institutional assets. The other three institutions were older, had boards which were dominated by alumni and enjoyed normal relations with the community. Board members at these institutions appeared to share the concern of administrators for the future of faculty and students.

STAGE THREE: RESPONSE TO THE COLLEGE CLOSING

Stage three consists of the many responses to college closings. The closing program, whether a single formal plan or fragmented announcements and activities, is often the principal point of contact between the college as an organization and many of those who are affected by the closing. As Figure 2 shows, the organizational response or program (C-2) consists of four major components: (C2a) disposing of human resources, (C2b) disposing of economic resources, (C2c) disposing of the college as an entity and (C2d) making the closing announcement. We shall defer our discussion of how colleges dispose of their human resources until we have examined the other three components.

Figure 2. Stage Three of the College Closing Process: Response to the Closing Decision



The descriptive literature on college closings provides little information on how colleges dispose of their economic resources. Seemingly complete recommendations and alternatives for disposing of debts to creditors, remaining endowment, facilities and equipment are provided by McIntyre and by O'Neill and Barnett. Perhaps more important than the color of the ink once the college is closed is the issue of whether or not minimizing the financial consequences of closing occurs at the expense of programming to aid faculty, staff and students. As suggested earlier, during closing one source of conflict between trustees and administrators is the extent to which assets are conserved. Unfortunately, studies have not focused upon how this issue affects programming and how programming in turn affects the outcomes of closings in both economic and human terms.

Disposition of corporate records and identity (C2c in Figure 2) is thoroughly examined in the prescriptive literature. McIntyre and O'Neill and Barnett give thorough attention to the legal and ethical considerations involved in deciding whether and how to arrange for maintenance of corporate and student records and what steps are necessary to dissolve the corporate charter. O'Neill and Barnett also provide a state-by-state digest of laws affecting the merger and dissolution of institutions (pp. 129-200). Again, we have little information in the descriptive literature on actual institutional experience in these matters.

A consideration related to the choice of an official date for closing is the possiblity for retaining corporate identity long enough after classes cease to assist students in graduating on the basis of credits earned elsewhere. In two instances, colleges recognized the problems which seniors would encounter in transferring to other institutions without substantial loss of academic credits and arranged to grant degrees for an additional

period of time. We do not know whether other institutions attempted to make similar provisions, how expensive or cumbersome this service proved to be, and how fully it was utilized.

The timing of the decision itself and of the announcement (C2d) are affected by the ambivalence associated with hopes that the last-ditch survival tactics that commonly have been undertaken may succeed even as the evidence accumulates that it will not. At some point during this period a decision is made. The issue of secrecy in relation to both decision making and issuance of the announcement then arises. How long to delay the announcement revolves around the advantages and disadvantages of maintaining secrecy as the board first considers closure and then prepares its closure program. McIntyre (p. 293) and O'Neill and Barnett (pp. 61-62) present cogent arguments both for and against secrecy. In practice, broad involvement in the closing decision is unusual and a period of secrecy generally prevails. Institutions typically defer public announcement of the decision until they have devised their closing plans.

THE DISPOSITION OF HUMAN RESOURCES

How the college disposes of its human resources is the most frequently treated component of the closing plan. As Figure 3 shows, this component consists of providing services to students, faculty and staff to help them relocate and of providing monetary benefits to employees of the closing college.

We shall consider first the services provided to students. While colleges exist to serve students, what colleges do to help students who, through no fault of their own, are caught in a closing situation receives relatively little attention. In only three of the twelve institutions on which we have extensive information is the topic even broached. In those

Figure 3: The Disposition of Human Resources

three colleges, and in at least a few others about which we have less information, it appears that efforts were undertaken to assist students in transferring to other institutions. The efforts we examined generally conformed to the recommendations included in the prescriptive literature and included such activities as developing guides on transferring to nearby institutions, establishing special offices to advise on transfer, scheduling sessions for students to meet with representatives of other institutions, and writing letters to other institutions requesting their understanding and cooperation in considering the applications of students from the college. As mentioned, at least two institutions made special provisions to aid students who faced the loss of credit through transfer.

There are several things we did not see in the descriptive literature. We did not see instances of organizations arranging for or acknowledging a need for the structured support groups such as those suggested by Willmer and O'Conner. Also absent in the descriptive literature are examinations of the ways in which the kinds and levels of services to students were affected by the amount of closing notice, the severity of the institution's financial crisis, or the availability of faculty and staff who presumably were occupied in their own job hunting.

The descriptive literature gives somewhat more attention to the efforts of institutions to assist faculty and staff in their relocation attempts. Most institutions that have closed appear to have provided at least some assistance to faculty in finding new positions. However, in only two instances is it clear which, if any, of the services were also extended to non-instructional staff. Services to faculty and staff included such things as setting up offices as clearinghouses of employment opportunities, providing assistance in preparing and distributing resumes, arranging for seminars to develop job search skills, and even providing funds for travel to professional

conferences where the faculty member could obtain timely information on openings.

Unlike the situation in industrial plant closings, we found virtually no attention given to the career counseling and retraining needs of employees. In only one instance was it clear that sessions had been arranged with faculty to examine career alternatives, including employment in noneducational settings. As in the case of students, we were unable to identify any instances of the college arranging for support groups to help employees.

The second element of assistance to employees identified in the model is the direct provision of benefits and financial assistance including the assessment of eligibility for various types of benefits including unemployment compensation and early retirement. The prescriptive literature advocates providing multiple forms of assistance determined on a case-by-case basis (McIntyre, p. 295 and O'Neill and Barnett, pp. 82-83). We found information on the severence benefits offered at only five institutions. In four of those, the colleges closed on very short notice and provided no severence pay at all. In one of those cases faculty sued for severence benefits on the grounds that the announcement of closing occurred after the date for notifying faculty of contract non-renewal (O'Neill and Barnett, pp. 82-83). At the fifth college, severence pay was provided to all employees who had been with the college for at least five years and medical and life insurance were extended for a brief period beyond the survival of the institution.

EXTERNAL RESPONSES TO THE CLOSING DECISION

Responses to the closing from groups external to the college are the third component shown in Figure 2. While such other groups as religious orders, accrediting associations, sister and rival institutions, and state agencies would be built into this component, information on the responses

of external groups to closings is largely confined to the two groups shown separately: alumni and the local community. Alumni responses to the closing of their alma mater are well documented in only three cases. In two instances, ad hoc committees of alumnae were formed to save the colleges. The best known example is the Wilson College alumnae group that filed suit to block closure of the college, helped raise a million dollars, and volunteered their time to work alongside students in maintaining and improving campus facilities (Biemiller, p. 3). In the other case, the Newton College merger, the alumnae group quickly recognized that fund raising would be futile and at one point concentrated its efforts on persuading Boston College to operate the campus as a women's college. Their efforts failed. Although O'Neill and Barnett note that alumni may be able to help faculty and staff find employment and aid in the relocation efforts of students, none of the literature we examined provided examples of such activity actually occurring.

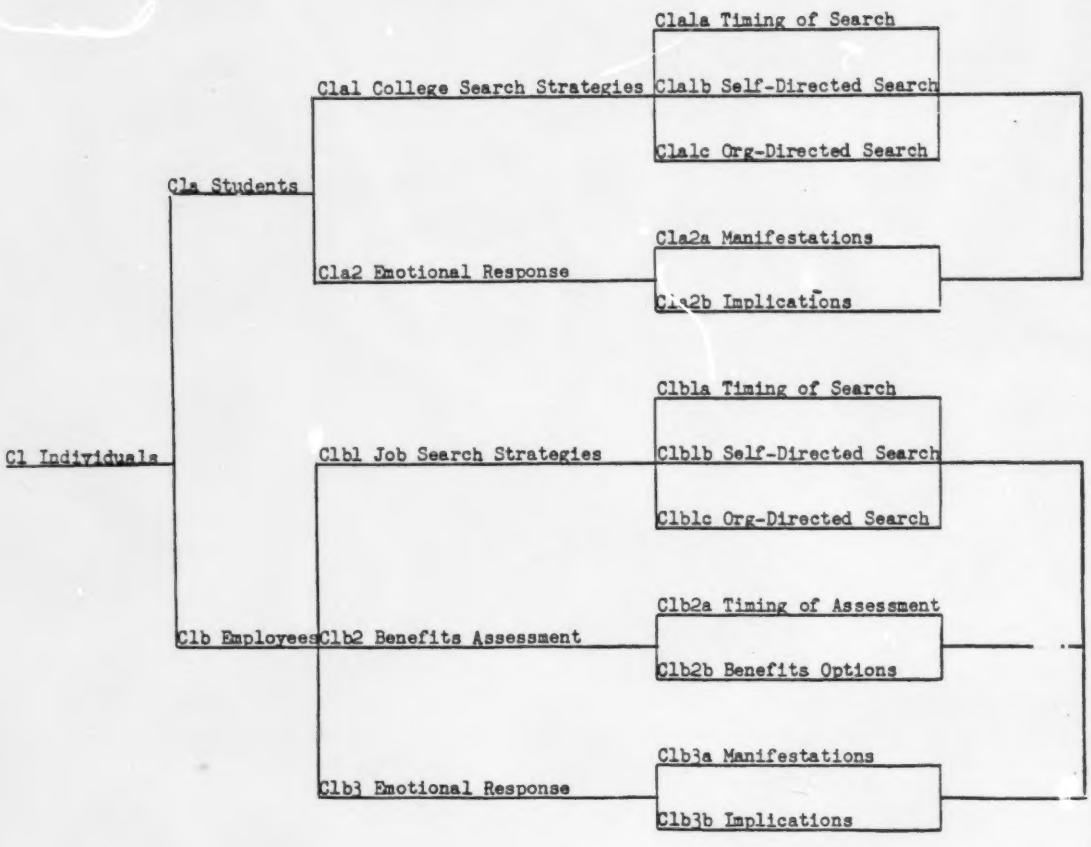
Community response to the closing of colleges is a particularly interesting topic because, unlike the employees and students of a closed college, the population of the community continue to live in the area and presumably will be or may be affected economically and culturally. We were surprised to find no descriptions of anger or even regret within the communities. We did, however, encounter examples of the opposite community reaction. In his study of five closings that occurred during the late 1960s and early 1970s, Millett reports that in each community there was evidence of growing disenchantment with student behavior (Millett, pp. 75-76). Millett's observations and at least two more recent examples of town-and-gown conflict may be a product of that period where vocal segments of the local community regarded all students as hippies and equally vocal segments of the student

population saw the local community as the embodiment of the establishment. In some recent closings there were efforts by community groups to block mergers and sales of campuses. In no case, though, did we encounter reports of civic groups or community agencies offering special services of any kind to the students or employees of closing institutions.

THE RESPONSE OF INDIVIDUALS TO THE CLOSING DECISION

The literature on closings deals far less with how individuals respond to closings than it does with the responses of organizations and external groups. As shown in Figure 4, this component of the model incorporates a number of different ways in which individuals may both react to the closing decision and respond to the plan for closing. When we looked for information on students we found very little to be available. One wonders about their emotional response to the closing, for example. Willmer and O'Conner suggest that a grieving cycle characterizes reactions to college closings. We found too little evidence regarding the responses of individuals to provide evidence to support or dispute that hypothesis. We found no case study in which there is an effort to capture and characterize the full range of emotions felt by students. Instead, we have at best some candid shots of their reactions and some limited statements describing their behavior during the closing process. In some cases, we are able to recognize denial and anger as students first questioned the basis for the closing decision then vented their emotions on decision makers. In at least one of these instances, anger appears to have influenced another dimension of individual student response to the closing: student's refrained from participating in the college's program for helping them transfer to other institutions. We also can see evidence of the bargaining stage of the grieving cycle in the responses of students of a least one college. However, in that instance, the Wilson College closing, the bargaining succeeded and grief

Figure 4: The Response of Individuals to the Closing Decision



ended. In no case, did we find evidence of depression, guilt or a sense of failure among students. In most cases, acceptance appeared to be the most immediate and enduring response for the majority of students.

Most closing colleges apparently make provisions for helping students to transfer. While for some closings we have figures on how many students succeeded in transferring to other institutions, we are not provided with information on which of these students availed themselves of the services offered by the college that closed. We lack information upon which to evaluate the effectiveness of any type of college transfer search efforts, whether institutionally supported or self-directed. In at least one instance late notice of a closing caused transfer problems for students (O'Neill and Barnett, p. 57), but we have too little information on the transfer success of students to be able to identify with confidence an optimal amount of notice time, to suggest in which academic term it should be provided, or to relate transfer success to student ability.

We discussed the concerns decision makers have about when to announce the college closing because of its possible effect on student attrition between terms or academic years. In four cases where fall term closing announcements were made, attrition rates were reported to be either normal or compensated for by the return to school of "stop-outs" who came back to finish their degrees. We have virtually no information on enrollment changes where the announcement occurs a year or more before the closing.

Much concern is voiced in the closing literature for the future of affected employees. Our examination of that literature suggests that while considerable efforts are devoted to helping faculty, we have very little information on the degree to which faculty avail themselves of these services and we have no information on the extent to which certain strategies succeed or fail to help faculty.

STAGE FOUR: OUTCOMES OF THE CLOSING

The fourth, and in many ways the most important, stage of the model is the examination of the impact of the closing decision on individuals, organizations and communities involved. Figure 5 provides an overview of this stage. Figures 6, 7 and 8 show in more detail the kinds of effects closings may have on each of the three groups, individuals, organizations and communities. We will examine impacts on students first. The most obvious student response to closing is an attempt to transfer to another college. In the three closings where student placement totals are discussed, we see, not unexpectedly, that most students succeeded in gaining admission elsewhere. We do not know why some students failed to accomplish transfer. Answering so simple a question as whether that failure to accomplish transfer reflects a genuine problem requires information about such things as the degree of student interest in continuing his or her college education at all (the student motivation factor); the student's academic ability, and ability to accept factors in alternative colleges which are different, including geographic accessibility, cost, availability of financial aid, conveniance of course scheduling, and other things which may affect student ability or desire to transfer regardless of efforts made by the college that is closing. For the large majority who succeded in tranferring and continue their studies elsewhere, what has been the individual impact of the closing? For answers to this question, we must pose our questions differently. As Figure 6 shows, we would like to know the answers to several questions about the economic impact of closure on students. How much more or less is the student now spending to obtain a degree? Were some unable to spend more money and are no longer enrolled anywhere? To what extent did students lose credit in the transfer process? Considering the costs associated with

Figure 5: Stage Four of the College Closing Process:
Impact of the Closing Decision

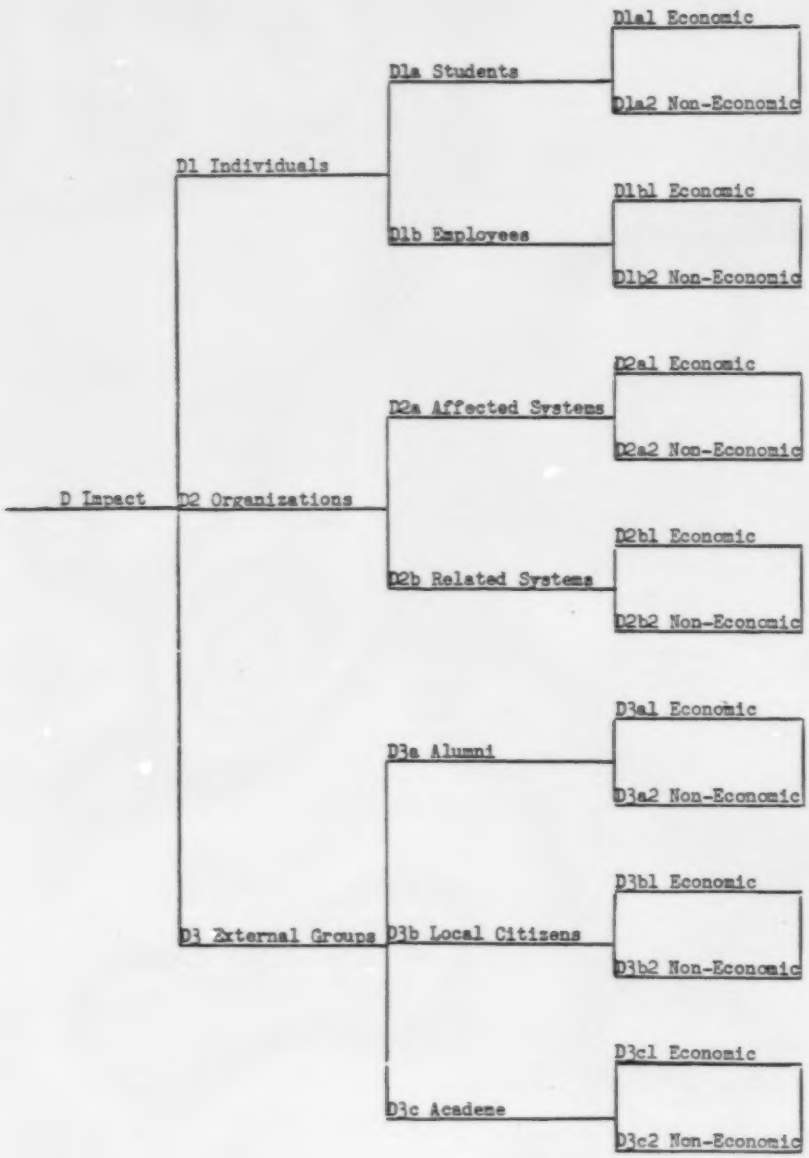
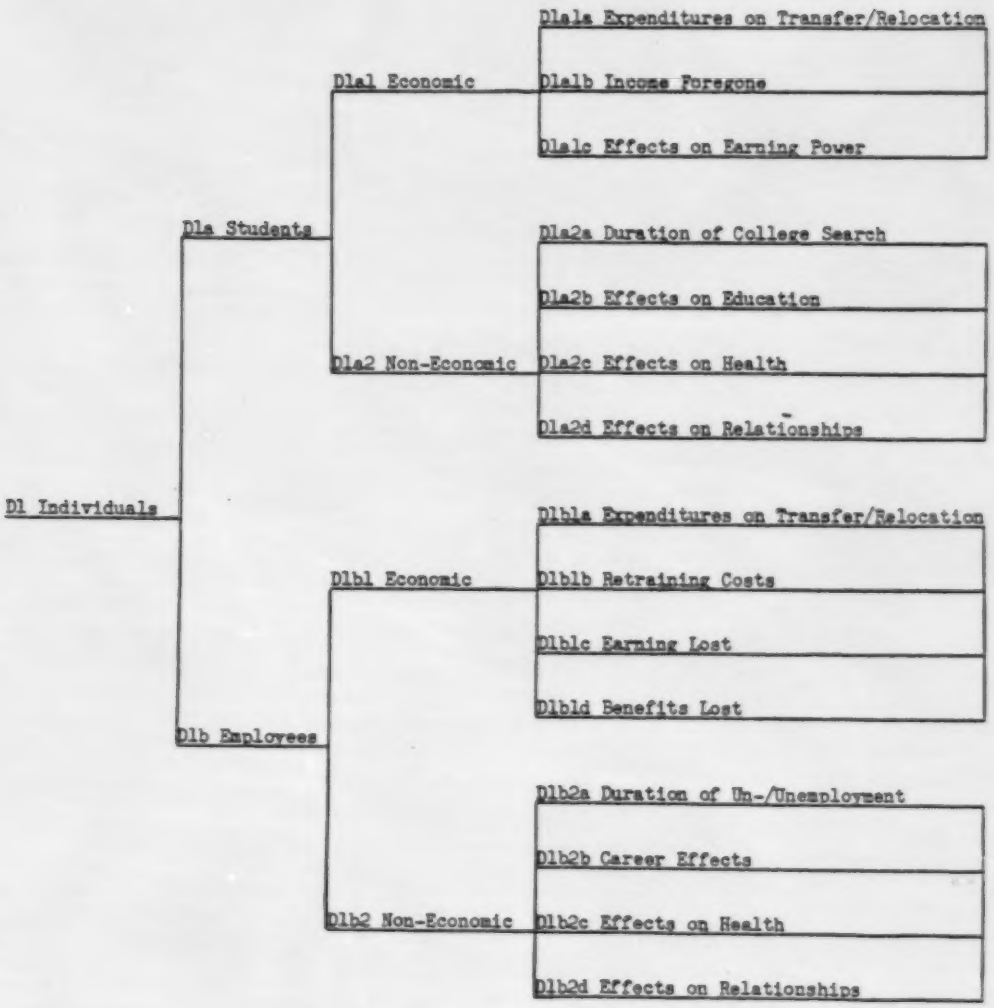


Figure 6: The Impact of College Closings on Individuals



income foregone and tuition and board at both institution, how much does it cost the victims of closings to "re-earn" the credits they lost through transfer. How, if at all, has enrollment elsewhere affected the student's earning power? This question is, of course, linked to the question, is the student getting a better and/or more marketable education than was available at the closed institution? We would like answers to non-economic questions as well. How long did it take students to find a new college and what, if any, mental and physical health effects did the act of closure and the duration college search have on students?

As the questions imply, answers are not available to us in the current literature. At present, we can only say that it appears that most students succeed in enrolling elsewhere and that we have no evidence that closings have obvious adverse intermediate or long-term effects upon students.

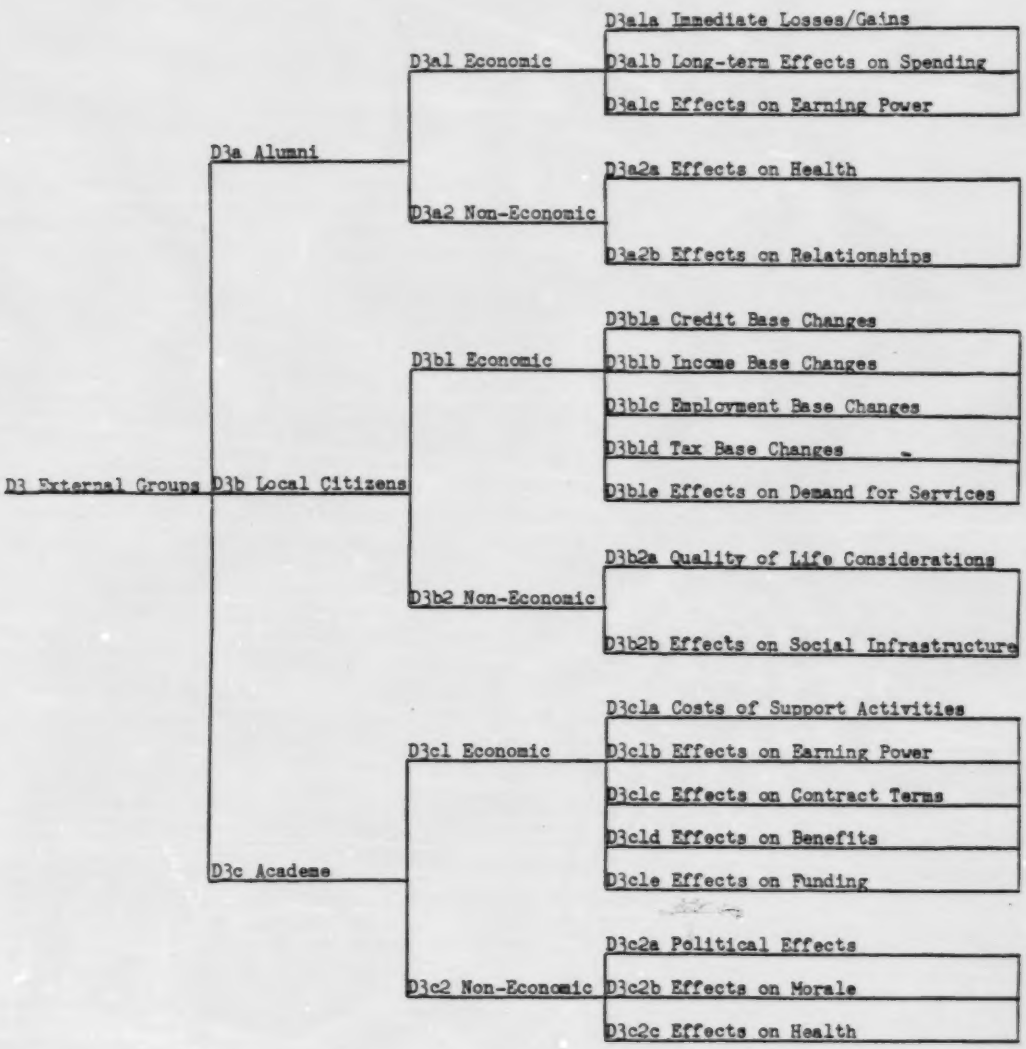
The same conclusion can be reached about the faculty and staff of closed colleges. Based upon the information in the literature, we have little indication of the closing's economic impact on faculty or staff. In a few instances we are provided with information on how many employees were eventually placed. However, we do not know which groups of faculty and staff were successful and which were not. We do not know how many employees resumed or changed their careers, nor have we an idea how long it took them to find new employment. We have no information on what, if any, adverse effects a college closing has on the physical and mental health of faculty, staff and other employees, or upon their ability to pursue their chosen careers. While we usually assume that faculty are adversely affected, we must entertain the possibility that some found better paying, more rewarding positions.

When a college closes, it dies as an organization. Surviving it often are other organizations that may be affected by the closing. Figure 7 shows several ways in which surviving organizations may feel the impact. Affected organizations include foundations established with what is left of the college's endowment, religious orders or denominations which had financial and emotional ties to the college, and related or rival institutions which actually may benefit from the closing. Conversely, these apparent beneficiaries may find themselves cast as the next institution to go, and accordingly begin to encounter reduced subsidies, donations and enrollments. In the case of systems of institutions which are frequently found in the public sector and sometimes in the private, it is important to know how, if at all, the money saved from the closing of one institution actually is used to benefit others in the same system. Is it even used to subsidize the increased costs of students who would have attended the closed colleges? Hoenack and Roemer (1981) describe a model that can be used to assess such considerations, but we saw no evidence of its use in the colleges we examined.

As Figure 8 shows, we suggest that closings may affect three groups of individuals that are external to the college: alumni, the local community and the general academic world. While we know something of the immediate response of alumni to news of the closing, we know very little about the broader effects on them. We know that many alumni donate most generously to last-ditch survival efforts and some even extend personal loans to aid the college with cash-flow shortages. How much do alumni invest when they respond to these pleas to save the college and, in the long-term, are these losses offset as they no longer make their annual contributions to the college?

Figure 7: The Impact of College Closings on Organizations

Figure 8: The Impact of College Closings on External Groups



Does the demise of their alma mater have some effect on the earning power of recent graduates? When faced with choosing among otherwise equally credentialed and qualified applicants, do prospective employers consider the fact that an applicant's college failed? Are there longer-term, and possible more subtle, effects of having one's degree from a defunct college?

The effects of a closing on communities was examined in only one study we looked at. It was discussed in terms of how it affected the economic base of the community. Millett briefly sketches the role Parsons College played in the economic base of Fairfield, Iowa, and reports that, after the college closed, population in the town declined 25 percent (p. 83). As Figure 8 shows, there are several other dimensions of economic impact that could be examined. The generally negative economic consequences listed in the figure would have to be compared to any positive impacts attributable to new uses which might be found for the campus. While McIntyre advocates conducting economic impact studies as a tactic for obtaining community support for efforts to save the college (p. 294), we did not find evidence that such studies were undertaken either by the colleges before they closed or by researchers after the closing. The only instance we know of where an economic impact study was conducted in conjunction with a closing occurred as a part of an effort by the Alabama Commission on Higher Education to examine the effects of closing Athens College (Miller and Erwin, 1982).

THE NEED FOR STUDIES OF COLLEGE CLOSINGS

The model we present in this paper identifies most, if not all, of the elements involved in the closing of a college, and it indicates something of the sequence in which they occur and the interaction among them.

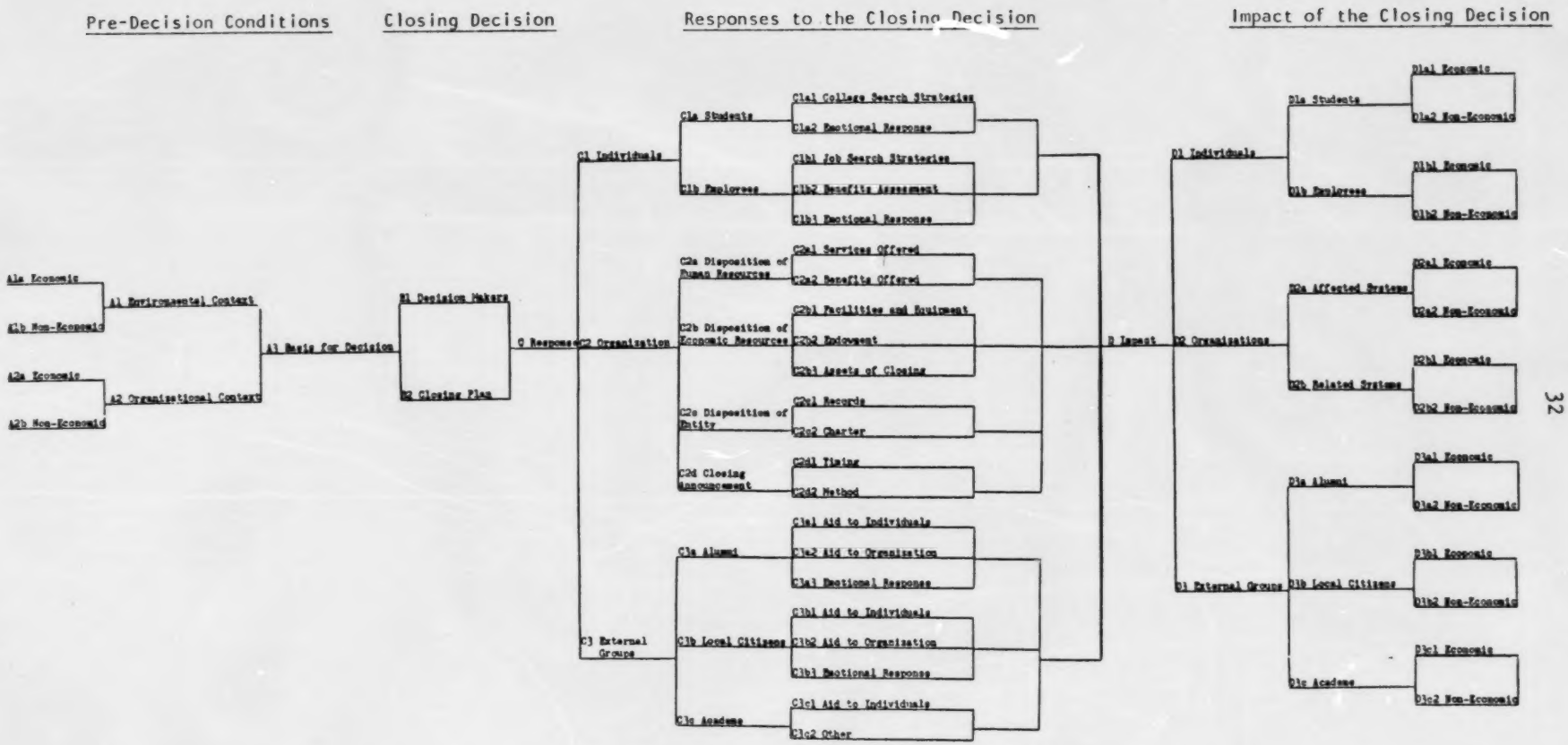
(For an overview of the model see Figure 9.) Our comparison of a significant portion of the college closing literature with the model makes it apparent that much that happens in the course of college closings is not dealt with in the existing literature. In a nutshell, there is need for research which will test the model against reality, use the model to examine college closings, and in general provide us with a fuller description and explanation of the process itself.

The specific elements of the closing process are deserving of research attention. A good job has been done in the prescriptive literature of providing what amounts to check-lists of what needs attention and on which occasions one should seek specialized advice. A limited number of case studies have been done, some of them quite insightful and even exciting to read. A limited descriptive literature has been developed from case studies and a general knowledge of college operation, organizational behavior, and the law.

Reading between the lines of this enumeration of what the literature does include, one sees the glaring fact that there is much it excludes. Most importantly, it does not contain systematic, analytical studies of groups of closings. Comparable factors are not dealt with across institutions in such a way as to either generate or test theory.

The most basic question is whether people are better or worse off as a result of a college closing. For answers we must ask more specific questions. What have been the long-term economic and non-economic consequences for students and faculty affected by closings? Currently we have very little evidence to support assertions that closings have long-range negative effects. Assuming closings produce at least short-term negative effects, how can these be minimized and what are the variables, individual,

Figure 9: Overview of the College Closing Model



institutional and procedural which can be manipulated constructively during the closing process? Which specific services and benefits are most helpful to students, faculty and staff in their efforts to relocate and what mix of services and benefits produces optimal results?

In addition to a college's students and employees, external groups are affected by a closing. Why do other institutions and the community make so few efforts both to avert closure and to provide help to its victims? Finally, and of most fundamental importance, to what extent does the loss of a college really result in negative consequences, particularly in the longer term?

Before answers to most of the preceding questions can be obtained, we believe that a fundamentally different view of college closings may be necessary. In opening this paper, we repeated the question we were asked. "Who cares about a dead college?" Underlying that question we believe we see a perception of college closings that has seriously limited the amount and quality of research on the topic of closings and on the broader topic of decline. The view seems to be that closing is the so e outcome of institutional demise and that closing is bad. In contrast to that view, we advocate viewing closing as a process leading to a range of possible outcomes. Both the process and outcomes need further study before objective, informed conclusions can be drawn about whether closings are good or bad, and under what set of circumstances they should be resisted, permitted, encouraged or facilitated.

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